

Alaska Waste - Kenai Peninsula, LLC Cost of Fuel Surcharge (COFS) Update Memorandum

Date: April 1, 2021

Utility Name Alaska Waste - Kenai Peninsula, LLC	Utility File No. TA99-714	Date Filed: March 1, 2021
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FILING SUMMARY

Statutory Deadline:
April 15, 2021

Tariff Sheet recommended for approval:
Tariff Sheet No. 52.1 March 1, 2021

Staff Recommended Effective Date:
March 1, 2021

Side-by-side Tariff Sheet attached as Appendix 3

COFS SUMMARY

Prior Commission Determination TA Number	Date of Prior Commission Determination	Prior Commission Determination	Staff Recommended Determination	Change
TA96-714	September 1, 2020	(3.3412%)	(5.2608%)	(1.9196%)

Signed: Steven Jones

Utility Tariff Analyst

Steven Jones

Reasons for the above recommendation: See Attached Memorandum

	Date, if different from 4/1/2021	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT*
Pickett		<u>RMP</u>		
Kurber		<u>KKI</u>		
Scott		<u>AGS</u> AGS		
Sullivan		<u>DS</u> DS		
Wilson		<u>JWW</u>		

Special Instructions to Staff: _____

* If this column is initialed, Staff will contact the Commissioner for the statement. Otherwise, dissent will be noted at the close of the By Direction Letter or Order.

Alaska Waste - Kenai Peninsula, LLC
COFS Update
Memorandum

To: Robert M. Pickett, Chairman
Keith Kurber II
Antony Scott
Daniel A. Sullivan
Janis W. Wilson

Date: April 1, 2021

File: TA99-714

Utility: Alaska Waste - Kenai Peninsula, LLC

From: Steven Jones

Subject: COFS

COFS Comments:

Staff reviewed this tariff filing to ensure compliance with applicable regulations (3 AAC 48.200-3 AAC 48.430). Staff also reviewed the proposed tariff sheets to ensure the stated text is easily understood, and the tariff provisions clearly and comprehensively describe and address the situation to which the tariff provision applies. Proposed revisions to COFS are reviewed pursuant to the methodology approved with Order No. U-09-013(10) and must be filed with documentation supporting entries in the balancing account for the historical period and projections for the future period.

Staff Notes:

The projected fuel costs decreased from \$12,441 to \$10,478. The balancing account balance decreased from (\$1,863) to (\$4,036). The projected revenues increased from \$220,932 to \$224,568. The downward pressure from the decrease in projected fuel costs, increase in projected revenues, and decrease in the balancing account balance results in a decrease in Alaska Waste - Kenai Peninsula's (AWKP) COFS from (3.3412%) to (5.2608%).

Staff Recommendation:

The Commission should approve Tariff Sheet No. 52.1, filed March 1, 2021, by Alaska Waste - Kenai Peninsula, LLC with TA99-714. The effective date of the tariff sheet should be March 1, 2021.

AWKP filed a revenue requirement study (RRS) on December 23, 2019, designated as TA92-714. TA92-714 was suspended into U-20-005 on February 6, 2020 (see Order No. U-20-002(1)/U-20-003(1)/U-20-004(1)/U-20-005(1)/U-20-006(1)/U-20-007(1)/U-20-008(1)/U-20-009(1)/U-20-010(1), issued February 6, 2020). Staff does not recommend suspension of TA99-714 into AWKP's pending RRS as the COFS is calculated using the base cost of fuel from the most recently approved RRS (see Tariff Sheet No. 52.1, at 6). The pending RRS has not been approved; as such there is not a new base cost of fuel to use in calculating the COFS. AWKP will submit an updated fuel surcharge calculation once the new base cost of fuel has been established by the Commission (see tariff advice letter for TA92-714, at 3).

Alaska Waste - Kenai Peninsula, LLC
Calculation and Comparison of Residential Bill
TA99-714

Customer Bills	Prior Determination	Updated Determination	Change
Surcharge (%)	(3.3412%)	(5.2608%)	(1.9196%)
Customer Bill			
1X 96 Gallon Roll Cart	\$38.66	\$38.66	\$ -
Regulatory Cost Charge @ 0.756%	\$0.28	\$0.28	\$ -
Surcharge Amount (\$)	(\$1.29)	(\$2.03)	\$ (0.74)
Total Customer Bill (\$)	\$37.65	\$36.91	\$ (0.74)

Alaska Waste - Kenai Peninsula, LLC
Cost of Fuel Surcharge Amount
TA99-714

Calculation of Cost of Fuel Surcharge				Actual Costs			
Line	Description	Prior Determination	Updated Determination		Prior Quarter	Reported Quarter	Change
A	Estimated Per Unit Fuel Cost	\$2.88	\$ 2.63	Per Unit Fuel Cost	\$ 2.58	\$ 2.45	\$ (0.13)
B	Estimated Fuel Consumption	4,319.942	3,984.000	Total Fuel Cost	\$ 4,766	\$ 5,248	\$ 482
C	Total Estimated Fuel Costs (A*B)	\$ 12,441	\$ 10,478	Balancing Account	\$ (1,863)	\$ (4,036)	\$ (2,173)
D	Balancing Account Balance	\$ (1,863)	\$ (4,036)	Actual Revenues			
E	Total (D+E)	\$ 10,579	\$ 6,442		Prior Quarter	Reported Quarter	Change
F	Estimated Retail Sales	\$ 220,932	\$ 224,568	Surcharge Revenues	\$ (2,639.46)	\$ (3,704.26)	\$ (1,064.80)
G	Projected Cost of Fuel (E/F)	4.7881%	2.8685%	Base Cost Revenues	\$ 9,161.83	\$ 9,274.00	\$ 112.17
H	Base Cost of Fuel	8.1293%	8.1293%				
I	Cost of Fuel Surcharge Amount	(3.3412%)	(5.2608%)				
Comments							

Signature: 

Email: bob.pickett@alaska.gov

Signature: 
Keith Kurber II (Apr 1, 2021 10:02 AKDT)

Email: keith.kurber@alaska.gov

Signature: 
Antony Scott (Apr 1, 2021 11:07 AKDT)

Email: antony.scott@alaska.gov

Signature: 
Daniel Sullivan (Apr 1, 2021 11:20 AKDT)

Email: daniel.sullivan@alaska.gov

Signature: 
Janis W. Wilson (Apr 1, 2021 12:42 AKDT)

Email: janis.wilson@alaska.gov

RCA NO. <u>714</u> <u>Forty-second Revision</u> SHEET NO. <u>52.1</u> <div style="text-align: center; margin-top: 10px;"> Canceling <u>Forty-first Revision</u> SHEET NO. <u>52.1</u> </div>	<div style="border: 1px solid black; padding: 5px; margin: 0 auto; width: 80%;"> RECEIVED SEP 01 2020 </div> <div style="font-size: small; margin-top: 5px;"> STATE OF ALASKA REGULATORY COMMISSION OF ALASKA </div>										
ALASKA WASTE - KENAI PENINSULA, LLC d/b/a ALASKA WASTE SECTION 300.10.25 KENAI BOROUGH RESIDENTIAL SURCHARGES											
KENAI BOROUGH RESIDENTIAL SURCHARGES COST OF FUEL SURCHARGE <div style="display: flex; justify-content: space-between;"> <div> (1) Cost for Bi-annual Period Beginning August 31, 2020 </div> <div style="text-align: right;">(T)</div> </div> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 30%;"><u>Source</u></th> <th style="text-align: left; width: 20%;"><u>Quantity</u></th> <th style="text-align: left; width: 10%;"><u>Unit Cost</u></th> <th style="text-align: left; width: 30%;"><u>Total</u></th> <th style="width: 10%;"></th> </tr> </thead> <tbody> <tr> <td>Diesel Fuel</td> <td>4,319.942 Gal</td> <td>X \$ 2.8800 per gal =</td> <td>\$12,441</td> <td style="text-align: right;">(I)</td> </tr> </tbody> </table> <div style="display: flex; justify-content: space-between;"> <div> (2) Balance in Cost of Fuel Balancing Account as of June 30, 2020 </div> <div style="text-align: right;">(T)(R)</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div></div> <div style="text-align: right;">(\$1,863)</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div>(3) Total (1) and (2) above</div> <div style="text-align: right;">\$10,579</div> <div style="text-align: right;">(I)</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div>(4) Estimated Bi-annual Revenue</div> <div style="text-align: right;">\$220,932</div> <div style="text-align: right;">(T)(I)</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div>(5) Projected Cost of Fuel (3)/(4)</div> <div style="text-align: right;">4.7881%</div> <div style="text-align: right;">(R)</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div>(6) Base Cost of Fuel</div> <div style="text-align: right;"><u>8.1293%</u></div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div>(7) Cost of Fuel Surcharge (5)-(6)</div> <div style="text-align: right;">(3.3412%)</div> <div style="text-align: right;">(R)</div> </div>		<u>Source</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total</u>		Diesel Fuel	4,319.942 Gal	X \$ 2.8800 per gal =	\$12,441	(I)
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This surcharge applies to Residential rates in the Kenai/Soldotna areas, including extra can and bag charges.											
<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> Tariff Advice No. <u>TA96-714</u> Effective: <u>September 1, 2020</u> </div> Issued By: ALASKA WASTE - KENAI PENINSULA, LLC d/b/a ALASKA WASTE <div style="display: flex; justify-content: space-between;"> <div><u>Heather Garland</u></div> <div>Title: <u>Pricing Manager</u></div> </div>											

RCA NO. <u>714</u> <u>Forty-third Revision</u> SHEET NO. <u>52.1</u> <div style="text-align: center; margin-top: 10px;"> Canceling <u>Forty-second Revision</u> SHEET NO. <u>52.1</u> </div>	<div style="border: 1px solid black; padding: 5px; margin: 0 auto; width: 80%;"> <div style="text-align: center; font-size: small;">TARIFF SECTION</div> <div style="text-align: center; font-weight: bold;">RECEIVED</div> <div style="text-align: center; font-weight: bold;">MAR 30</div> <div style="text-align: center; font-weight: bold;">2021</div> <div style="text-align: center; font-size: x-small;">RCA</div> </div>										
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